

Subj: **Staff Response to City of Lincoln Data Request Number 3**
Date: 4/17/2003 11:24:05 AM Central Daylight Time
From: smatrisc@icc.state.il.us
To: 02-0690IAWCDRs@icc.state.il.us
File: **CityofLincoln-Everson-Nos.3&4.pdf** (45036 bytes) DL Time (TCP/IP): < 1 minute
Sent from the Internet (Details)

Attached is Staff's response to the City of Lincoln Data Request Number 3.

Steve Matrisch
Office of General Counsel
Illinois Commerce Commission
527 East Capitol
Springfield, IL 62701
(217) 785-3808

<<City of Lincoln - Everson - Nos. 3 & 4.pdf>>

CITY OF LINCOLN CR

02 0690

Date 5/2/03

LP

CITY OF LINCOLN
THIRD DATA REQUEST

Docket No.: 02-0690

Utility Company: Illinois-American Water Company

Date of Request: April 4, 2003

Response Request Date: April 18, 2003 and ongoing

Answered by: Staff witness Mary Everson

DATA REQUEST

3. In designing rates for the ratepayers in the Lincoln District, did the Staff of the Illinois Commerce Commission consider all the merger savings as required in the order in ICC Docket No. 99-0457? Please explain how the merger savings, if any, were allocated to the Lincoln District ratepayers and the amount thereof? Please provide any documents and work papers supporting the allocation.

ANSWER:

It is Ms. Everson's understanding that the Commission's Order in Docket 99-0457 stated: "...all merger savings included in data for the rate case test year should be reflected in rates and, thereby, allocated to ratepayers;..." It is also Ms. Everson's understanding that under traditional cost of service-based ratemaking that all savings accrue to the ratepayers. Further, it is Ms. Everson's understanding that these savings therefore, were reflected in the revenue requirement schedules provided by IAWC and thus the savings are reflected in the revenue requirement schedules adjusted by Staff. Since the Order in Docket 99-0457 does not specifically state that an amount will be calculated, it is Ms. Everson's understanding that no separate amount was identified by IAWC and communicated to Staff.

4. If merger savings were not considered in Staff's rate design, please include the merger savings (as reflected in the order in ICC Docket NO. 99-0457) in Staff rates and provide the answers for Lincoln's Residential Commercial, Industrial and other Public Authority in the same format as Staff Response to City of Lincoln and Streator First Data Request #1 lines 8 through 11.

ANSWER:

Not applicable.